

P-R-O-C-E-E-D-I-N-G-S

(9:00 a.m.)

CHAIRMAN WEIDENBAUM: Good morning. The Trade Deficit Review Commission was created by Congress to examine the causes and consequences of the trade deficit and to recommend necessary changes in public policy.

We've scheduled hearings around the country to obtain the views and ideas of people knowledgeable about trade policy in many different aspects.

As you'll see, the Commission is very much a group activity. We Commissioners are taking turns organizing and chairing the various hearings. I want to thank Commissioner Ken Lewis for his work in setting up today's hearings, and I now ask him to chair these sessions.

Commissioner Lewis.

COMMISSIONER LEWIS: Thank you, Mr. Chairman.

A growing debate has been taking place in the United States about foreign trade and its impact on our country. The debate has involved elected representatives in Washington, economists, businesses that manufacture here, businesses that manufacture in foreign countries, exporters, importers, church leaders, union officials, environmentalists, and think tanks.

Foreign trade has been an increasing percentage of our gross national product, and with the passage of NAFTA and the defeat of fast track, the general public has become more aware of the issues.

As our Chairman said, our Commission was created by Congress to study and report back on the causes and consequences of the trade deficit. We've had technical briefings made to us in Washington, D.C., to inform us on the nature of the issues involved. We are holding hearings around the country, as was mandated by the law that created us, on specific subjects.

So we've met in Pittsburgh, Palo Alto, and today in Seattle. We will also meet in Dallas, Washington, New York, and Kansas City. We have heard

from people who have been hurt by imports and from
people who have been helped by exports.

There are those who laud the boom to some businesses and investors and consumers and who credit foreign trade for these benefits and gains in jobs. There are those who lament the loss of jobs, manufacturing in particular, the inequality of income, and a lot of the negative impacts of trade.

I think we're going to hear today from panels that are the most balanced of those we have heard from so far. In Palo Alto we heard from people who were basically very pro-free trade and who have been helped by it, and in Pittsburgh we have heard from those who have been hurt by trade.

Today, in the first panel, we have a representative of Boeing, the International Association of Machinists, and the National Research Council. And I thought we would start with the representative of Boeing, then the person from the International Association of Machinists, and then the National Research Council.

Thank you all very much for coming. We will have seven minutes for each of you to make presentations, and we'll have three in a row, and then we'll have questions by the panel -- addressed to any one of the three of you.

Would you please start, Mr. Waldmann.